

FORTY-THIRD JUDICIAL DISTRICT

HAZEL PARK DIVISION

STATE OF MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

FORTY-THIRD JUDICIAL DISTRICT
HAZEL PARK DIVISION
STATE OF MICHIGAN

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Judge Keith P. Hunt
District Court Judge
Forty-Third Judicial District
Hazel Park Division
State of Michigan

We have audited the financial statements of the Forty-Third Judicial District, Hazel Park Division, State of Michigan, as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the administration of the Forty-Third Judicial District, Hazel Park Division, State of Michigan. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Forty-Third Judicial District, Hazel Park Division, State of Michigan as of June 30, 2005 and 2004, and the receipts it received and distributions it paid for the years then ended, on the basis of accounting described in Note 1.

Youngblood & Devereaux, P.C.

August 30, 2005

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name 43RD JUDICIAL DISTRICT, HAZEL PARK DIV	County OAKLAND
Audit Date JUNE 30, 2005	Opinion Date AUGUST 30, 2005	Date Accountant Report Submitted to State: SEPTEMBER 10, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

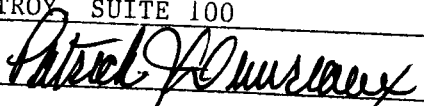
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) YOUNGBLOOD & DEVEREAUX, PC			
Street Address 225 S. TROY SUITE 100		City ROYAL OAK	State MI
Accountant Signature 		ZIP 48067	

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Combined Statement of Assets and Liabilities
June 30, 2005 and 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Checking account - General Account	\$ 22,868	\$ 20,590
Money market savings account - General Account	163,118	135,260
Petty cash - General Account	100	100
Checking account - Bond Trust Account	59,089	37,178
Due from City of Hazel Park - General Account	<u>94</u>	<u>58</u>
Total Assets	<u><u>\$ 245,269</u></u>	<u><u>\$ 193,186</u></u>

LIABILITIES

Due to City of Hazel Park - General Account	\$ 140,669	\$ 113,740
Due to State of Michigan - Treasury Department - General Fund	41,166	37,001
Due to State of Michigan - Secretary of State - General Fund	1,980	1,605
Due to Oakland County - General Account	2,365	3,662
Bonds posted	<u>59,089</u>	<u>37,178</u>
Total Liabilities	<u><u>\$ 245,269</u></u>	<u><u>\$ 193,186</u></u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - General Account
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash balance - July 1	\$ 155,950	\$ 175,996
Receipts - page 3	<u>2,055,255</u>	<u>2,000,771</u>
Total Beginning Cash and Receipts	\$ 2,211,205	\$ 2,176,767
Distributions:		
City of Hazel Park	\$ 1,518,426	\$ 1,499,165
Oakland County (penal fines and motor carrier fees)	26,974	49,635
State of Michigan (Crime Victims' Rights Fund fees)	-	25,592
State of Michigan (state judgment fees)	450	18,743
State of Michigan (clearance fees)	24,615	27,195
State of Michigan (Michigan Justice Training Fund fees)	-	13,925
State of Michigan (Act 154 fees)	-	13,925
State of Michigan (Dispute Fund fees)	-	1,476
Judges' Retirement System (portion of civil filing fees and judgment fees)	-	8,590
State of Michigan (Secondary Road Patrol and Training Fund fees)	-	27,635
State of Michigan (State Court Fund fees)	-	26,626
State of Michigan (Jail Reimbursement fees)	-	13,705
State of Michigan (Juror Compensation Reimbursement fees)	50,527	27,355
State of Michigan (Civil Filing Fund fees)	64,810	38,625
State of Michigan (Justice System Fund fees)	<u>338,492</u>	<u>228,499</u>
Total Distributions	\$ 2,024,294	\$ 2,020,691
Cash Balance Before Other Receipts (Distributions)	\$ 186,911	\$ 156,076
Other Receipts (Distributions):		
Cash over (short)	\$ 10	\$ 36
Transfers and prior year corrections - net	(19)	(45)
Transfer bank interest	(1,847)	(1,491)
Reimbursed bank fees	<u>1,031</u>	<u>1,374</u>
Total Other Receipts (Distributions)	\$ (825)	\$ (126)
Cash Balance - June 30	<u>\$ 186,086</u>	<u>\$ 155,950</u>
Checking account	\$ 22,868	\$ 20,590
Money market savings account	163,118	135,260
Petty cash	100	100
	<u>\$ 186,086</u>	<u>\$ 155,950</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Receipts - General Account
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Receipts (Ordinance):		
Penal fines	\$ 20,909	\$ 27,674
Penal costs	44,878	49,741
Ordinance fines and costs	1,218,206	1,133,276
Crime Victims' Rights Fund fees	28,780	28,785
Judgment fees	333	25,434
Bond forfeitures	31,935	25,580
Parking fines	29,439	31,933
Attorney fees	20,755	23,695
Probation breathalyzer test fees	21,738	-
Probation fees	39,757	30,375
Clearance fees	74,970	79,560
Michigan Justice Training Fund fees	-	9,845
Jail reimbursement fees	342,790	265,238
Assessment fees	5,940	6,321
Pre-sentence fees	5,840	4,510
Act 154 fees	-	9,845
Secondary Road Patrol and Training Fund fees	-	19,520
Motor carrier - misdemeanor	10,685	30,661
Motor carrier fees	15,896	65,927
BW service	10,140	8,340
Total Receipts (Ordinance)	\$ 1,922,991	\$ 1,876,260
Receipts (Civil):		
Civil filing fees	\$ 100,925	\$ 94,862
Garnishment, writs and subpoena fees	27,555	25,230
Marriage fees	10	20
Jury fees	400	850
Dispute Fund fees	-	1,152
Miscellaneous	2,398	2,246
Interest income	2,042	1,445
Bank fees	(1,066)	(1,294)
Total Receipts (Civil)	\$ 132,264	\$ 124,511
Total Receipts	<u>\$ 2,055,255</u>	<u>\$ 2,000,771</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - Bond Trust Account
For the Years Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash balance - July 1	\$ 37,178	\$ 74,680
Receipts:		
Bonds posted	<u>347,718</u>	<u>296,835</u>
Total Beginning Cash and Receipts	\$ 384,896	\$ 371,515
Distributions:		
Bonds forfeited	\$ 31,935	\$ 25,580
Bonds refunded	99,570	96,642
Bonds used to pay fines and fees	153,452	170,324
Transfer to other accounts	<u>40,850</u>	<u>41,791</u>
Total Distributions	<u>\$ 325,807</u>	<u>\$ 334,337</u>
Cash balance - June 30	<u>\$ 59,089</u>	<u>\$ 37,178</u>
Checking account	<u>\$ 59,089</u>	<u>\$ 37,178</u>

The accompanying Notes to the Financial Statements
are an integral part of these statements

**FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Notes to the Financial Statements
June 30, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Court functions as a Trust and Agency Fund. The money that it receives is held only until it is turned over to other governmental agencies or returned to individuals from whom it was collected.

Accounting Method

The Court records financial transactions using the cash basis of accounting. Receipts are recorded when actually received and distributions are recorded when actually paid out.

Cash Balances

The Court maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Court has not experienced any losses in these accounts nor does it believe it is exposed to any significant credit risk because of these balances.

2. GENERAL ACCOUNT

	<u>2005</u>	<u>2004</u>
Money market savings account – 2.56% (1.05%)	<u>\$ 163,118</u>	<u>\$ 135,260</u>

The General Account records the receipt and distribution of criminal, ordinance, and civil fines and fees. The distributions are made in accordance with allocations determined by the State Supreme Court Administrative Office. For the previous fiscal year the allocations were split:

For the period July 1, 2003 through September 30, 2003:

Judges Retirement System 14-30% of civil filing fees
5% of criminal judgment fees

State of Michigan	100% of Michigan Justice Training Fund fees, Act 154 fees, Dispute Fund fees, Secondary Road Patrol and Training Fund fees, Jail Reimbursement fees
	95% of criminal judgment fees
	90% of Crime Victims' Rights Fund fees
	67% of clearance fees
	33-64% of civil filing fees
	20% civil jury demand fees

Oakland County	100% of penal fines and state bond forfeitures 30% of motor carrier fees
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City of Hazel Park 100% of remainder

Beginning October 1, 2003, various fees were increased and consolidated under new titles. The new allocations were as follows:

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Notes to the Financial Statements
(continued)
June 30, 2005 and 2004

2. GENERAL ACCOUNT (continued)

State of Michigan - Treasury Department	Various portions of civil filing fees - \$14, \$28, \$42, or \$119 depending on the claim One-half civil motion fees 100% of judgment fees 100% of the Justice System fees - \$10, \$40, or \$45 per offense depending on the type or seriousness 20% of demand for jury fees One-third of clearance fees 90% of Crime Victims Rights Fund
State of Michigan - Secretary of the State	One-third of clearance fees
County	100% of penal fines 30% of motor carrier fees
City of Hazel Park	100% of remainder

For the current fiscal year the distributions are the same as they were in the latter part of the previous year.

3. BOND TRUST ACCOUNT

The Bond Trust Account records the receipt and distribution of bond money. Bonds are disposed of according to the Court's direction which can mean, (a) the bond is refunded to the person who posted it; (b) the bond is turned over to the General Account as a forfeiture or fine and cost and distributed as outlined in Note 2; (c) the bond is sent to another jurisdiction if the case is being transferred there or; (d) the bond is used to pay restitution.

YOUNGBLOOD & DEVEREAUX, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Honorable Judge Keith P. Hunt
District Court Judge
Forty-Third Judicial District
Hazel Park Division
43 East Nine Mile Road
Hazel Park, MI 48030

Re: Report of Comments and Recommendations

Dear Judge Hunt:

We recently completed an examination of the financial statements of the various accounts of the Forty-Third Judicial District, Hazel Park Division, State of Michigan for the year ended June 30, 2005, for the purpose of expressing our opinion on such statements. The nature and scope of such an examination does not contemplate a detailed review of systems and procedures, nor was one made in the present instance. However, during our examination, we observed certain accounting and administrative areas where we believe a comment is appropriate. These comments can be found on the attached page.

We wish to thank the personnel of the Court for their excellent cooperation with our firm during the course of the examination of the Court's records.

Very truly yours,

YOUNGBLOOD & DEVEREAUX, P.C.



Patrick J. Devereaux
Certified Public Accountant

August 30, 2005

cc: Treasurer, State of Michigan
Local Audit Division

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Comments and Recommendations
June 30, 2005

BONDS

The bonds are reconciled with the cash monthly using the Court's bond accounting program. Accurate bond information is readily available on a monthly basis

TRAFFIC/PARKING TICKETS AND RECEIPTS

The control of traffic/parking tickets continues to be very good. I had no trouble finding the tickets I needed for my testing. The tickets I did look at all seemed to be properly documented making it easy to follow them through the accounting system.